Capital investment in SSIs

†3705. SHRI ABHAY KANT PRASAD: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether Government contemplate to increase the ceiling of the capital investment in small scale industries; and

(b) if so, what is the present ceiling and to what extent it is proposed to be increased?

THE MINISTER OF STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES (SHRI TAPAN SIKDAR): (a) and (b) There is no proposal to enhance the present investment ceiling for small scale industries (SSI) of Rs. 1.00 crore in plant and machinery. However, based on consultations with stakeholders, the investment ceiling has been enhanced to Rs. 5.00 crores in respect of 41 items pertaining to hand tools and hosiery with effect from 9th October, 2001. In addition the draft notification in respect of enhancement of investment ceiling to Rs. 5.00 crores in respect of 10 products in the drugs and pharmaceuticals sector and 13 products in stationery sector has been laid on the Table of the House in July, 2002.

Growth rate of SSIs

3706. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether it is a fact that the growth rate of SSI sector is far better than the industrial growth rate during the last five years;

(b) if so, the ratio of growth rate of the SSI sector and the industiral sector, during the last five years, year-wise; and

(c) what steps his Ministry is taking or propose to take to improve the growth rate of SSI?

THE MINISTER OF STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES (SHRI TAPAN SIKDAR): (a) and (b) Yes, Sir. The ratio of growth rate of the SSI sector and the industrial sector, during the last five years is given below:—

†Original notice of the question was received in Hindi.

Year	Growth rate of SSI (%)	Growth rate of Industrial Sector (%)	Ratio of growth rates of SSI in relation to total industrial sector
1997-98	8.43	5.8	1.45
1998-99	7.70	4.0	1.93
1999-00	8.16	6.5	1.26
2000-01	8.23	5.0	1.65
2001-02	6.03	2.7	2.25

(c) Taking into consideration the higher potential for growth in the Small Scale Industries (SSI) sector in terms of output, employment and exports, the strategy for Tenth Plan is to strengthen the sector to enable it to remain competitive in market-led economy and generate additional jobs. For achieving these objectives, the SSI sector would be provided proper and timely inputs like:

(1) Adequate credit/loans fromfinancial institutions/banks.

(2) Funds for Technology upgradation and modernisation.

(3) Adequate infrastructure facilities.

(4) Modern testing facilities and quality certification laboratories.

(5) Modern management practices and skill upgradation through advanced training facilities.

(6) Marketing assistance.

(7) Level playing field at par with the organised sector.

Enhanced outlay of Rs. 2584 crore during the Tenth Plan for the SSI Sector as against Rs. 1982 crore in the Ninth Plan would also facilitate in supporting the various Plans/Schemes.

In addition, on 30th August, 2000, the Prime Minister announced a Comprehensive Policy Package for the promotion and development of Small Scale Sector to enhance its competitiveness, both domestically and globally. The policy package consists of enhanced fiscal and credit

supports, better infrastructure and marketing facilities and incentives for technology upgradation.

Capital subsidy to SSIs

3707. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether it is a fact that 12 per cent of the capita subsidy is provided to the SSI units for investment in technology for its upgradation;

(b) the details of units that have availed of this subsidy during the last three years, year-wise and State-wise; and

(c) the loan that has been disbursed under this scheme during the last three years, year-wise and State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES (SHRI TAPAN SIKDAR): (a) Yes, Sir. The scheme is called "Credit Linked Capital Subsidy Scheme (CLCSS)".

(b) and (c) The schemes was launched in the year 2001-01, but disbursement of subsidy has started in the year 2001-02 only. State-wise details of the number of units that have availed of this subsidy and the amounts of the loan as well as subsidy disbursed during the years 2001-02 and 2002-03 are given in the Statement.

Statement

Details of the no. of units and the amounts of the loan and subsidy disbursed under the Credit Linked Capital Subsidy Scheme for SSIs (CLCSS)

(In rupees)

Year	State	No. of units	Amount of loan	Amount of Subsidy
2001-02	Tamil Nadu	4	91,00,000	10,44,000
(April-March)	Karnataka	1	18,00,000	2,16,000
	Maharashtra	1	27,91,902	3.35,028
	Uttar Pradesh	3	45,15,000	10,00,000
	Total	**9**	**1,82,06,902**	**25,95,028**